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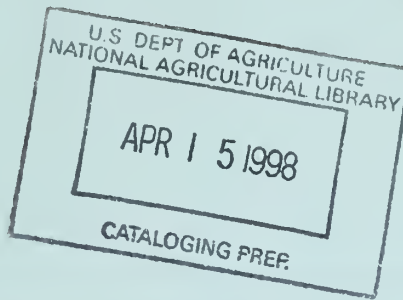


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# MOBILE DRYER LOAN HANDBOOK

FOR ASC STATE AND COUNTY OFFICES

8/14/59

REFER TO THIS HANDBOOK AS

**6-GR**  
(REVISION 1)

UNITED STATES DEPARTMENT OF AGRICULTURE  
Commodity Stabilization Service, Washington D. C.

United States  
Department of  
Agriculture



**National Agricultural Library**

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#### PAGE AND PARAGRAPH NUMBERING

The pages and paragraphs of this handbook are numbered in straight sequence. When it is necessary to insert new pages or paragraphs the new pages or paragraphs will be numbered by a decimal system. For example, a paragraph (or page) to be inserted between 26 and 27 will ordinarily be designated 26.5. This permits further decimal insertions on either side of 26.5.

#### KEEP THIS HANDBOOK UP TO DATE

It is extremely important that you keep this handbook complete and up to date. Remove and insert pages promptly when prescribed by handbook amendments. There is no secret of writing, indexing, or other action that can undo or offset the failure of handbook users to keep their handbook current. The only good handbook is a complete and current handbook!

READ YOUR HANDBOOK - DISCUSS AMENDMENTS

UNITED STATES DEPARTMENT OF AGRICULTURE  
Commodity Stabilization Service

MOBILE DRYER LOAN HANDBOOK (6-GR)  
(Revision 1)

AMENDMENT - 1

APPROVED:

*H. L. Manwaring*  
Deputy Administrator, Production Adjustment

1. PURPOSE.

This amendment transmits Revision 1 of Handbook 6-GR.

2. CHANGES.

A. Paragraph 1 is amended to eliminate all reference to previous programs. All loans shall now be governed by Parts 2 and 3 of the handbook.

B. Paragraph 5 has been amended to remove dry peas, hay seeds, pasture seeds and winter cover crop seeds from the list of eligible commodities.

C. Paragraph 10 A has been revised to explain the method of determining out-of-pocket costs, and broaden the definition of downpayment.

D. Paragraph 13 G 2 pertaining to the application of storage payments to extended installments has been deleted.

E. Paragraph 19 has been amended to provide that the State committee may, in meritorious cases, approve Assumption Agreements without payment of delinquent installments.

F. Paragraph 22 has been amended to provide for the use of the voluntary liquidation procedure even though the borrower's indebtedness may not be completely liquidated as a result of the sale. It also provides the number of copies to be executed.

G. Paragraph 23 B has been amended to provide for the preparation of Form 364 to cover additional expenses in cases where the related loan principal has been recorded on the debt record.



H. Paragraph 22 A has been amended to direct attention to paragraph 2, CCC Form 400, which gives authority to the State or county committee to incur expenses incident to the sale which shall be added to and become part of the borrower's indebtedness to CCC.

I. Paragraph 22 A 6 has been amended to provide that if the borrower's indebtedness is not completely liquidated as the result of the sale, the unliquidated indebtedness shall remain on or be placed on the debt record.

J. Paragraphs 30, 31, 32, 54, 55 and 57 have been amended to require that only the original notes be maintained in the custody file. This authorizes disposition of all documents in the custody file which are duplicates of documents in the producer file, except the original notes.

K. Paragraph 30 D has been added to provide that the Serial No. or the Motor No. of the dryer be shown on the Chattel Mortgage.

L. Minor revisions for purposes of clarification have been included in several other paragraphs.

3. PART 4.

Part 4 (Instruction 668-1 dated 10-1-51) is now obsolete and has been removed from the handbook. Current actions on all unpaid loans will be governed by the provisions of Parts 2 and 3.

4. LENDING AGENCY LOANS.

(This paragraph applies to: Colorado, Indiana, Iowa, Michigan, Missouri, Nebraska, North Dakota and South Dakota, or to any other State having lending agency loans. These States shall supplement the handbook as necessary to carry out this provision.)

County offices shall advise lending agencies holding Mobile Dryer loans that the county offices are authorized to and will purchase such loans, whether delinquent or not, whenever tendered by the lending agencies. This is considered to be practicable since all Mobile Dryer loans are now being disbursed at the county office (except where special approval is obtained from Washington for disbursement by a lending agency). The purchase of such loans would also simplify county office operations under the program. When all the outstanding loans made under a lending agency agreement have been purchased, the lending agency agreement for Mobile Dryer loans with that agency shall be cancelled.

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MOBILE DRYER LOAN HANDBOOK (6-GR)

EXHIBITS:

- Exhibit 1 - CCC Form 302 - Application for Loan
- Exhibit 2 - CCC Form 303 - Promissory Note
- Exhibit 3 - CCC Form 304 - Chattel Mortgage
- Exhibit 4 - CCC Form 305 - Disbursement Report
- Exhibit 5 - CCC Form 306 - Assumption Agreement
- Exhibit 6 - General Forms of Acknowledgment
- Exhibit 7 - CCC Form 400 - Agreement for Voluntary Liquidation of Mortgaged Chattels
- Exhibit 8 - CCC Form 401 - Bill of Sale



## PART 1. GENERAL

1. APPLICABILITY OF HANDBOOK.

This handbook prescribes the procedure to be used by ASC State and county offices in administering the Mobile Dryer Equipment Loan Program. Part 2 prescribes the procedure to be employed with respect to new applications and to current actions on all existing loans. It also prescribes the required forms and documentation to use in connection with such program. Part 3 prescribes the loan and custody records to be maintained and the reports required for all loans outstanding or made under the Mobile Drying Equipment Loan Program. This handbook will become effective upon issuance.

2. STATE OFFICE ACTION.

When the county committee recommends that a loan held by CCC be called, and the State committee approves such recommendation, the State office shall notify the borrower that the whole of the indebtedness is due and payable, and that payment shall be made to the county office within 10 days after the date of the notice. A copy of such notice shall be sent to the county office. If the loan is held by a lending agency, and if the State committee approves the recommendation of the county committee, the State office shall request the county committee to purchase the note from the lending agency. After the note is purchased, the State office shall notify the borrower that the whole of the indebtedness is due and payable, and that payment shall be sent to the county office.





## PART 2. OPERATING INSTRUCTIONS FOR ALL LOANS

## SECTION 1. ADMINISTRATION OF PROGRAM

3. COUNTY COMMITTEE ACTION.

Field operations under this program will be administered in the State by the county committee under the supervision of the State committee. The county committee may approve loan applications, except as specifically provided herein, issue loan commitments, and make disbursement of loans, without prior approval of the State committee. The county committee may also initiate action to call delinquent loans as prescribed in paragraphs 20 and 21, arrange for the purchase of loans from lending agencies, and perform related services under the supervision of the State committee.

4. STATE AND WASHINGTON OFFICE RESPONSIBILITY FOR APPLICATIONS FOR LOANS OF \$1,000 OR OVER.

A. Applications For Loans of \$1,000 or Over. Prior to the disbursement of any loan where the principal amount is \$1,000 or over, or the execution of any assumption agreement where the principal amount assumed is \$1,000 or over, the loan documents (application, note, chattel mortgage), or the unexecuted assumption agreement shall be submitted to the Attorney-in-Charge through the State office for review. The Attorney-in-Charge will immediately advise the State office as to whether the loan documents meet all legal requirements.

B. Applications For Loans of \$5,000 or Over. Applications for mobile drying equipment loans in the amount of \$5,000 or over shall be submitted through the State office to the Deputy Administrator, Operations, for review and approval PRIOR to the issuance of a loan commitment. In addition to the information required herein, these applications shall be supplemented to contain as a minimum the following additional information:

1. Applicant's Financial Statement. A reasonably current financial statement executed by the applicant together with a statement from the county office concerning the applicant's local credit rating.

2. Participation in Price Support Programs. Advice as to whether the applicant participates in the price support and the agricultural conservation programs.
3. County and State Committee Recommendations. Recommendations by the county and State committees on the application.
4. Information Concerning Production. A statement as to the number of acres of eligible commodities the applicant usually plants annually and the normal yields so that his need for the equipment can be determined.
5. Statement or Invoice of Cost. A statement or invoice showing the cost of the dryer or equipment signed by the seller.

## SECTION 2. ELIGIBILITY

### 5. DEFINITION OF ELIGIBLE BORROWER.

An eligible borrower shall be a person who:

- \*--A. Is a tenant, share landlord, or land-owner-operator who produces one or more of the following commodities: corn, oats, barley, grain sorghums, wheat, rye, soybeans, flaxseed, rice, dry edible beans, peanuts, or cottonseed,--\* and
- B. Has facilities for the storage of one or more such eligible commodities suitable for adaptation to artificial drying and needs such eligible equipment in connection with the utilization of such facilities.

The term "person" means an individual, partnership, corporation, or other legal entity. If two or more individuals join together in the purchase of eligible equipment, each such individual shall be liable jointly and severally with respect to the loan.

### 6. ELIGIBLE EQUIPMENT.

- A. General. Loans will be made only for the purchase of new mobile drying equipment for the conditioning of grain, (such as

air-circulators, ventilators, tunnels, and power-fans, or any combination thereof, and mechanical dryers of a mobile type) provided there is a need for the mobile drying equipment which will be used in connection with the conditioning of the eligible commodities listed in paragraph 5, produced by the borrower. It is the responsibility of the producer to determine the type of equipment necessary for his operations. However, the county committee is not required to approve a loan for any proposed equipment when it considers such approval would not be in the best interest of CCC.

B. Loans Not Available. Loans will not be available for:

1. Refinancing, repair, remodeling or maintenance of existing equipment, or
2. The purchase of secondhand equipment, or
3. The use in connection with the conditioning of commodities which the borrower intends to purchase, or condition, or store for others, provided, however, that a borrower, in addition to drying his own grain, is permitted to use such dryer to dry or condition grain for neighboring producers, or
4. Where it appears that the equipment may be attached to, or become a part of, or made use of, in connection with any commercial operation, including but not limited to elevators, warehouses, drying or processing plants.

C. Mobility. Only new drying equipment which is mobile and which can be moved easily and readily from site to site will be eligible for loan under this program.

D. Providing Sketch or Drawing. Applications which include tunnels and/or ventilators shall be accompanied by a sketch or drawing, furnished by the borrower, showing how this equipment will be used in the structures.

### SECTION 3. WHERE LOANS MAY BE OBTAINED

7. COMMODITY CREDIT CORPORATION.

Loans will be made only by CCC except when an applicant specifically requests that the loan be made through a particular bank



or other financial institution that can qualify as a lending agency. When an applicant requests that a loan be made through a lending agency, specific authorization must be obtained from the Deputy Administrator, Operations, CSS.

#### 8. LENDING AGENCIES.

A. Required Approval. Loans may be made through banks or other financial institutions which can qualify as lending agencies but only upon specific authorization for each loan from the Deputy Administrator, Operations. The county committee shall submit, through the State committee, a statement for the Deputy Administrator, Operations, giving name of applicant, brief description of loan, applicant's reason for wanting loan to be made by lending agency, name of proposed lending agency, verification by county office that agency agrees to make the loan, whether agency is presently party to a lending agency agreement or a new agreement is required, and recommendation of the county committee with showing of cause for not making loan directly.

B. Lending Agency Agreement. If a new lending agency agreement is required, the county committee shall submit triplicate copies signed by the agency and the agreement, if approved, shall be executed on behalf of Commodity Credit Corporation by the Deputy Administrator, Operations. All copies of the approved Lending Agency Agreement shall be returned to the county committee with the approval or rejection of the Deputy Administrator, Operations. The original of the agreement shall be retained in the county office, one copy shall be forwarded to the commodity office through the State office, and one copy shall be delivered to the lending agency. The lending agency shall be furnished a copy of Handbook 6-FI, CCC Lending Agency Handbook, Storage Facility and Equipment Loans.

### SECTION 4. TERMS AND CONDITIONS OF LOAN

#### 9. AVAILABILITY OF LOANS.

A. Area. Loans will be available in any State of the United States.



B. Time. Loan applications may be submitted during periods set forth in the program regulations, and thereafter, until public notice is made that applications may not be submitted.

C. Source. All forms and documents will be made available through the ASC county offices. Disbursements on loans will be made by drafts drawn on CCC by county offices, provided that where specially requested by the borrower and when authorized by the Deputy Administrator, Operations, CSS, a loan may be disbursed by an approved lending agency.

#### 10. AMOUNT OF LOAN.

##### A. General.

1. Maximum Amounts. The maximum amount of any loan shall not exceed the maximum amount authorized by the State committee and in no event shall exceed seventy-five percent of the delivered and assembled out-of-pocket cost paid by the borrower for the equipment for which the loan is made.

\*--2. Determining Actual Out-of-Pocket Cost. All discounts, commissions, allowances for demonstrations, or other credits shall be deducted from the cost of the mobile drying equipment or mechanical dryer to be purchased by the borrower for the purposes of determining the out-of-pocket cost paid by the borrower.

Example:

Cost of Dryer	\$2000.00
Discount - 5%	100.00
Net Out-of-Pocket Cost	\$1900.00

In this case, the \$1900.00 represents the actual out-of-pocket cost of the dryer.--\*

\*--3. Down-Payment. In the example shown above, the borrower would be required to make a down-payment of twenty-five (25) percent.

Example:

Net Out-of-Pocket Cost of Dryer	\$1900.00
Down-Payment - 25%	475.00
Maximum Amount Which May be Financed by CCC	\$1425.00

--\*

\*--

The down-payment may include a trade-in allowance on a used dryer to the extent that such trade-in allowance is determined by the State or county committee approving the loan to represent the fair market value of the used dryer. The down-payment may also include any bill or other off-set due the borrower by the seller.--\*

B. Establishing the Maximum Amount of Loan. In order to assure that loans are adequately secured, the State committee may establish the maximum amount to be loaned (within the maximum outlined herein), and such amount shall be uniform for the entire State. County committees are in a position to know or ascertain the reliability of the borrower and to evaluate the equipment. Therefore, if it appears that the financial interests of CCC would not be fully protected if the maximum amount authorized by the State committee were approved, the amount loaned shall be correspondingly reduced.

#### 11. SECURITY FOR LOAN.

A. General. Loans will be secured generally by chattel mortgages on the mobile drying equipment purchased. However, other approved instruments may be requested where the amount of the loan or other circumstances warrant such security.

B. Evidence of Cost and Down-Payment. The borrower shall be required to furnish receipted bills, furnishing information including but not limited to showing the cost of the dryer or any mobile equipment, and the amount of the cash down-payment, before the loan is disbursed. A copy of the receipted bill shall be retained in the producer's file in the county office.

#### 12. TERM OF LOAN.

A. Period. Loans will be for a maximum of three years.

B. Loan Commitment. Unless the loan has been completed and totally disbursed, the loan commitment shall become null and void in four months after its date unless extended in writing by the county committee on or before its expiration date.

13. REPAYMENT OF LOAN.

A. General. The principal of the loan is repayable in equal annual installments with interest at four percent per annum on the unpaid balance. The number of such installments, not to exceed three, shall be determined by the county committee. The first principal installment, plus interest, shall be due and payable on the first anniversary date of the disbursement of the loan, and a like installment, plus interest, shall be due and payable on each anniversary date thereafter until the principal, together with interest thereon, has been paid in full. Interest will be computed on the principal amount of the loan outstanding and added to the amount due as the interest accrues, but interest is not to be compounded.

Example: John Doe's application is approved December 5, 1954, and proceeds of loan of \$1,200 disbursed on January 17, 1955. The first installment of \$400, plus interest on the principal amount of the loan, is due and payable on or before January 17, 1956. The second installment is due and payable on or before January 17, 1957, and the third and final installment is due and payable on or before January 17, 1958.

B. Notifying the Borrower. Approximately thirty days prior to the anniversary date of disbursement, the county office shall notify the borrower, in writing, regarding the repayment of the installment, and a copy of the letter shall be placed in the producer's file in the county office. In the examples shown above, the letters shall be sent December 17, 1955, 1956 and 1957.

C. Collection of Installments. The county office is responsible for the collection of installments due on loans held by CCC. Any payments received shall be applied first against interest, then against principal. Interest shall be computed at the rate of four percent per annum (using factor .0001096 per dollar per day for 365 days) on the unpaid balance of the note, from the date of disbursement or date to which interest was paid by previous payment to but not including the date of receipt of repayment. Loans may be paid in part, or in full, by the borrower at any time before maturity.



D. Collection of Notes Held by Lending Agency. On notes held by the lending agency, the county office shall assist the lending agency in collecting past-due installments by setoff from CCC payments. Setoffs cannot be made except from CCC funds on loans held by lending agencies. The county office may give the lending agency such other assistance as they may deem appropriate to protect the interests of CCC.

E. CCC Form 500. Upon repayment of an installment and/or interest, or any portion thereof, of a loan held by CCC, including collection made by setoff, the county office shall prepare a Repayment Record (CCC Form 500) indicating the information concerning the repayment as required by the form. The original CCC Form 500 shall be delivered to the borrower and a copy shall be placed in the producer's file. On loans held by lending agencies, the lending agency shall prepare the CCC Form 500 for all repayments including those collected by setoff and shall send copies to the county office at the end of each week or more often. These copies shall be placed in the producer's file.

F. Release of Security Instruments. Upon full repayment of a loan secured by mortgages or other security instruments to secure debt which is held by CCC, the county office shall arrange for the release or obtain the release of such instruments of record. The chairman of each county committee or the ASC county office manager or acting manager is authorized to act as agent of CCC in releasing or obtaining the release of such instruments. Upon payment of loans secured by instruments held by the lending agency, the lending agency shall be requested to release or obtain the release of such instrument or instruments. The cost of release of security instruments shall be paid by the borrower. The borrower is required to pay any expense connected with the releasing of mortgages or other security documents in accordance with paragraph (G) of CCC Form 302. The cost of renewal fees and/or the cost of releasing documents may be paid from the county office bank account and charged to CCC Programs Not Elsewhere Specified, line 11, on CSS-497, in those cases where because of the difficulty and expense involved in collecting these small amounts from the borrower would not be warranted.

G. Application of Storage Payments. Farm storage payments earned by borrowers under price support or resale programs shall be applied on mobile drying equipment loans in the following manner:



1. To any installment which is due and payable, (if not previously paid in cash or from price support proceeds).

Example: Loan was disbursed on October 1, 1953, in the amount of \$600. An installment of \$200, plus interest, is due and payable October 1, 1954. The producer is due on October 1, 1954, a storage payment under resale program of \$250. The \$200 installment, plus interest, is to be collected from this storage payment.

2. (Withdrawn - Rev. 1)

3. To Any Delinquent Installment(s). Example: Loan was disbursed on May 15, 1952 (under old program procedure) in the amount of \$750. Installments of \$250 each, plus interest, were paid by the producer on January 31, 1953, and January 31, 1954. The third and final installment of \$250, plus interest, due and payable on January 31, 1955, was not paid. The delinquent installment (due and payable January 31, 1955) of \$250, plus interest, is to be collected from \$300 storage payment due the producer on August 1, 1955.

4. To the Total Loan Indebtedness if the Loan is in Default.

Example: Loan was disbursed July 15, 1953, in the amount of \$360. The first installment of \$120, plus interest, is payable on July 15, 1954. The producer fails to pay the installment and is not eligible for an extension. The producer is due on August 15, 1955, a storage payment of \$425. Under the terms of the note, the entire loan is accelerated. The total loan of \$360, plus interest, is to be collected from the storage payment.

5. To Any Combination of the Above Illustrated Cases. The balance of the storage payment, if any, shall be paid to the producer only after such applications have been made.

6. Application of Rules. The status of the mobile drying equipment loan at the time the storage payment is due the producer will govern the application of the foregoing rules by the State and county committees.

H. Failure to Pay Installment When Due. If any installment is not paid on or before the applicable anniversary date of the disbursement of the loan, or by the end of any period of extension, that installment must be placed on the debt record and the county office shall remind the borrower in writing

that his note contains an automatic acceleration clause which is self-operative, and that if he fails to pay the installment within twelve months after the due date, the entire amount remaining unpaid on the loan will become due and payable. If the installment is not paid within such twelve-month period, and an extension or deferment has not been granted, the entire loan is in default and the unpaid balance of loan shall be transferred to the debt record and the case referred to the State office for handling. The county office should attempt to obtain from the borrower his signature on an Agreement for Voluntary Liquidation of Mortgaged Chattels (see paragraph 22 and Exhibit 7). The State office shall be advised as to whether such agreement is obtained.

14. EXTENSION OR DEFERMENT OF LOAN.

A. Extensions.

1. Basis for Request. When requested by the borrower, the county committee may extend loans for one year in emergency cases such as catastrophic losses of crops, or crop failure due to drought or other conditions, beyond the control of borrowers. Such an extension will defer the remaining installments one year. The financial condition of the borrower must be such as to require an extension. If the borrower is able to pay the installment without financial embarrassment, despite current crop losses, then an emergency would not exist which would warrant an extension. Any extension applies to principal and interest. Interest shall be computed against the principal amount of the loan outstanding and added to the amount payable as interest accrues, but interest is not to be compounded. Whenever possible, the borrower should be requested to furnish additional security to CCC on any livestock, crops, etc. in consideration of the granting of the extension. Any such extension shall be agreed to in writing by the lending agency in the case of indirect loans.

2. Denial of Request for Extension. In any case where the county committee denies a request for an extension or deferment, or if the State committee does not recommend approval of a third consecutive loan extension or of the deferment, the borrower shall be notified in writing that his request for extension or deferment has been denied and that his note contains an automatic acceleration clause which is self-operative, and that if he fails to pay the installment within twelve months after the due date, the entire amount remaining unpaid on the loan will become due and payable.



B. Deferments. When requested by the borrower extensions of less than a year (hereinafter called deferments) for payment of an individual installment may be granted by the county committee provided the circumstances are as outlined herein. Such a deferment shall not extend the term of the loan or defer the remaining installments but merely defers the obligation of the borrower to pay the particular installment involved temporarily.

C. Service in the Armed Forces. When the operations of the farm property are curtailed so as to drastically reduce income from such operations due to the fact that the borrower has been called into service in the armed forces, the county committee may extend the loan for the term of one year and may stipulate further that if the borrower is still serving in the armed forces at the expiration of one year extension and conditions remain the same, an additional extension of one year will be granted. An extension is restricted to only one year at a time to assure that the county committee will reappraise the circumstances to preclude granting automatic extensions.

D. Legal Requirements in Granting Extensions. In granting any extensions, care must be taken to comply with the legal requirements of the particular State concerning registration, legal notice, etc. The attorney in charge will be able to furnish information with reference to such matters. The justification for an extension of a loan shall be the responsibility of the county committee, and it shall advise the lending agency, in writing, with respect to loans on which extensions or deferments are granted in the case of indirect loans. All requests for loan extensions or deferments must be submitted in writing by the borrower to the county committee.

## 15. INSURANCE.

The borrower will be required to carry insurance during the life of the loan, at his own expense, in an amount sufficient to cover the loan and with coverage for fire and other hazards common to the area for such dryer or mobile equipment as determined by the county committee. The insurance policy shall be delivered to the county office or the lending agency before the loan is disbursed. \*--In those isolated cases where the mobile dryer loan insurance is included in the borrower's general policy covering other items on the farm, an endorsement or a written statement by the insurance company showing that the policy includes the dryer or mobile equipment and that CCC is included as obligee with respect to the dryer or mobile equipment, will serve as proof of

insurance.--\* All insurance policies shall be payable to Commodity Credit Corporation, and to any other holder of the note secured by the dryer or mobile equipment as their interest may appear. The borrower shall maintain adequate insurance coverage for any loan that is extended for a year, and the policy shall be presented before the extension is approved. Prior to the execution of any assumption agreement, the buyer shall be required to deliver to the county committee or the lending agency an insurance policy covering the loan. A copy of the insurance policy shall be placed in the producer's file in the county office.

16. SERVICE CHARGE.

A. Method of Computation. A service charge of \$5.00, or one percent of the amount of the loan, whichever is greater, will be paid by the applicant at the time the application is made. If the loan is rejected or is not completed, the minimum service charge of \$5.00 shall be retained by the county office and the balance (if any) shall be returned.

B. Deposit of Service Charges. Service charges collected from the applicants, which have been deposited to the account of the county committee shall be forwarded weekly to the State office by drawing a check on the county committee's account made payable to Commodity Stabilization Service and submitting it on CSS-603 prepared in the regular manner. Mobile dryer loan service charges shall be identified in column 5 on the letter of transmittal by entering the words "Mobile Dryer Loan Service Charges."

SECTION 5. DISBURSEMENT OF FUNDS

17. LOANS MADE BY LENDING AGENCIES.

A loan will be closed by a lending agency in accordance with the terms and conditions of the "Commitment," "Certification for Disbursement of Proceeds," the "Lending Agency Agreement for Storage Equipment Loans" and the Lending Agency Handbook. The loan proceeds will be disbursed to the dealer or manufacturer from whom the equipment was purchased when the borrower furnishes the lending agency a receipt or other evidence satisfactory to the lending agency showing that all amounts due on the equipment in excess of the amount to be discharged by the loan proceeds have been paid in cash and the lending agency has checked the



county records and determined that no prior chattel mortgage or conditional sale contract specifically covering the equipment has been recorded or filed, and the borrower has complied with the insurance requirements set forth in paragraph 15. Any excess of the face amount of the note over the actual amount of the loan proceeds to be disbursed shall be endorsed as a payment on the loan, and shall not be paid to the borrower. Such excess shall be endorsed on the reverse side of the note as "Funds Not Disbursed".

18. LOANS MADE BY COMMODITY CREDIT CORPORATION.

The loan will be closed by the county office and the loan proceeds will be disbursed by drafts drawn on the Commodity Credit Corporation which will be prepared on the basis of the Certification for Disbursement of Proceeds for Mobile Drying Equipment Loan, CCC Form 305. Before disbursing any of the loan proceeds, the borrower must furnish a receipted bill to the county office indicating that all amounts due on the equipment or dryer in excess of the amount to be discharged by the loan proceeds have been paid in cash and the borrower has complied with the terms of the "Commitment". In addition, the county office shall check the county records to determine that no prior chattel mortgage or conditional sale contract specifically covering the dryer or equipment has been recorded or filed. Moreover, the borrower shall have complied with the insurance requirements set forth in paragraph 15. Any excess of the face amount of the note over the actual amount of the loan proceeds to be disbursed shall be endorsed as a payment on the loan. Credit for this amount shall be endorsed on the reverse side of the note.

SECTION 6. SALE OR CONVEYANCE OF SECURITY

19. GENERAL.

\*--When a borrower desires to sell or convey the mobile drying equipment securing a loan without repaying the loan in full, he should apply to the county office for approval of the sale or conveyance. Approval of the sale or conveyance must be evidenced by an Assumption Agreement in form prescribed by CCC under which

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\*--

(a) either the borrower or the person assuming the loan shall pay interest on the loan up to but not including the date of the sale and any installment past due, and (b) the original borrower shall agree to remain liable for the balance of the indebtedness, and (c) the purchaser assumes the balance of the indebtedness agreeing to comply with all the terms, conditions, covenants, and agreements set out in the security instruments. In meritorious cases, the State committee may, in writing, authorize the county committee to approve an Assumption Agreement without payment of all past due installments where it is to the advantage of CCC to do so. In such cases, if the past due installments are not paid, they shall be included as an additional amount in the Assumption Agreement.--\*

## SECTION 7. CALLING OF LOAN AND FORECLOSURE PROCEDURE

### 20. CIRCUMSTANCES WARRANTING INDEBTEDNESS TO BE CALLED.

The security instruments provide that CCC may declare the whole of the indebtedness immediately due and payable under any of the following circumstances:

- A. If the borrower has made any representations or warranties in connection with the loan or in his application for a loan, which prove to be false.
- B. If the borrower fails to comply with any of his covenants or agreements made in connection with the loan or in his application.
- C. If the borrower is adjudicated a bankrupt or commits an act of bankruptcy or makes a general assignment for the benefit of creditors, or takes advantage of any State or Federal insolvency law.
- D. If the mortgaged property is attached, or levied on by execution, decree, or other process of court.
- E. If the borrower dies or becomes incompetent.
- F. If the mortgagee or holder of the note deems itself insecure.

21. COMMITTEE ACTION.

If due to any of the above circumstances, it appears necessary to call the loan, the county committee shall send to the State office a complete statement of the facts together with the recommendation of the county committee concerning the action to be taken.

A. Loans Held by CCC. If the loan is held by CCC and the State committee approves such recommendation, the State office will notify the borrower that the whole of the indebtedness is due and payable, and that payment shall be made to the county office within 10 days after the date of the notice. A copy of such notice will be sent to the county office. If payment is not made within the time specified, the loan shall be considered to be in default and the unpaid balance of the loan shall be transferred to the debt record.

B. Loans Held by Lending Agency. If the loan is held by a lending agency, and if the State committee approves the recommendation of the county committee, the State office will request the county committee to purchase the note from the lending agency. It is necessary that the note be purchased from the lending agency before notice is given because only the mortgagee or holder of the note is entitled to accelerate the indebtedness under the circumstances here involved. After the note is purchased, the State office will notify the borrower that the whole of the indebtedness is due and payable, and that payment shall be sent to the county office. If payment is not made within the time specified, the loan shall be considered to be in default and the unpaid balance of the loan shall be transferred to the debt record.

22. VOLUNTARY LIQUIDATION OF MORTGAGED CHATELS.

This paragraph provides the procedure for the voluntary liquidation of mobile drying equipment loans in lieu of statutory foreclosure. It authorizes the use of the voluntary liquidation procedure even though the borrower's indebtedness may not be completely liquidated as a result of the sale. It provides that any unliquidated indebtedness will be placed on the debt record.



A. When Borrower is Willing to Execute Voluntary Liquidation Agreement. The county committee should attempt to obtain from the borrower his signature on an Agreement for Voluntary Liquidation of Mortgaged Chattels (Commodity Credit Corporation Form 400). It should be pointed out to the borrower that by executing such a voluntary liquidation agreement, he will expedite settlement of his loan in the most inexpensive way. Two copies of the CCC Form 400 shall be executed by the borrower. The original shall be placed in the producer's file and the copy furnished to the borrower. If any costs contemplated by paragraph 2, CCC Form 400, are determined by either the county or State committee to be necessary, they may be incurred and added to and become part of the borrower's indebtedness to CCC.

1. Check for Prior Liens. If the borrower executes such an agreement, the county committee should check the chattel mortgage records for the county in which the security property is located for the purpose of determining whether or not there are any junior liens on file covering any of the security property.

2. Determine Fair Market Value. Prior to the sale, the fair market value of the security property should be determined by a current appraisal of such property made by disinterested third parties without cost to CCC.

3. Conduct Sale. The county committee should proceed with the sale in accordance with the terms of the agreement. Notice should be immediately given by the county committee to the holders of junior liens who have an interest in the security property of the defaulted borrower and of the intention of the county committee to sell the security property pursuant to the terms of the agreement. If such lien holders cannot be contacted locally in person by the county committee, they shall be notified by certified mail, return receipt requested. Either public or private sale may be employed, depending upon which form of sale will bring the highest price.

4. Hold Sale on Premises Where Property is Located. In the case of a public auction sale, it would appear desirable that the sale be held on the premises where the security property is located.



5. Execute Bill of Sale. When requested by a purchaser, the chairman of the county committee shall execute and deliver to such purchaser a bill of sale on the form provided (CCC Form 401).

6. Distribution of Sale Proceeds. In cases where there are no junior lien holders if, after satisfying out of the sale proceeds the cost of the sale and the principal amount of the indebtedness plus accrued interest, there is any surplus of the sale proceeds remaining on hand, such surplus shall be paid to the borrower or his assigns. In cases where there are junior lien holders, if a surplus of the sale proceeds remains after satisfying the costs of the sale and the principal amounts of the indebtedness plus accrued interest, the advice of the Attorney-in-Charge shall be obtained before disposing of such surplus. If the borrower's indebtedness is not completely liquidated as the result of the sale, the unliquidated indebtedness shall remain on, or be placed on, the debt record.

B. When Borrower Refuses to Execute Voluntary Liquidation Agreement. Where the borrower refuses to execute a voluntary liquidation agreement, the county committee shall transmit to the State office the loan documents, a statement of the account and a financial statement showing the assets and liabilities of the borrower, together with the county committee recommendation as to whether foreclosure proceedings should be instituted.

## 23. FORECLOSURE PROCEEDINGS.

A. General. In any foreclosure proceedings, care should be taken to see that CCC's interest in the matter is fully protected. In this regard, the resale value of the dryer or equipment shall be carefully considered and, if it appears that CCC should enter the bidding to protect its interest (CCC is not obligated to bid at all), CCC should bid no more than the amount of the mortgage indebtedness (including interest and foreclosure and other expenses paid by CCC for the account of the borrower), or the resale value of the dryer or equipment, WHICHEVER IS LOWER. If any property is acquired in this manner, the county committee shall prepare and distribute CCC Grain Form 21 in accordance with 7-GR 9. The State committee shall submit to

the Director, Grain Division, a recommendation as to its use or disposition, and no sales of such property shall be made except upon the prior authorization of the Director, Grain Division. Dryers or equipment acquired in this manner (foreclosure or other means) cannot be refinanced by CCC.

B. Payment of Expenses. Payment of expenses incurred to protect CCC's interest in the collateral, shall be made by the county committee on the basis of an approved Form CL-49 certified by the payee or supported by an invoice from the payee. Payment is to be made by a CCC sight draft in accordance with the CCC Sight Draft Handbook. The loan number shall be indicated on the Form CL-49 with supporting invoice, if any, and the Form CL-49 shall be transmitted to the commodity office with the accounting copy of the sight draft. The amount of the expense shall be entered on the loan records as an addition to loan principal, except that, if the loan has been transferred to the debt record, prepare and distribute Form 364 to cover the additional expenses in accordance with 58-FI and record such additional expenses on the debt record. Expenses incident to foreclosure action shall be paid by the county office by issuance of a sight draft in accordance with Handbook 1-FI.

## SECTION 8. REINSPECTIONS

### 24. WHEN DONE.

Mobile drying equipment and dryers shall be reinspected whenever there is any question concerning the loan collateral, or if the borrower is in default, and whenever the county office considers that reinspection service is warranted. In addition, it is suggested that the mobile drying equipment or dryer be inspected when inspecting the commodities under loan. The borrower shall maintain the mobile drying equipment and/or dryer in good condition and available for use during the life of the loan.

## SECTION 9. MODIFICATION OF LEGAL FORMS

### 25. UTILIZATION OF PROCEDURE AND FORMS.

County committees may utilize the procedure and forms furnished in this handbook, except in those instances where the Attorney-

in-Charge may suggest modifications necessary to comply with the laws of a particular State or to cover any special circumstances which may exist.

26. MODIFICATION OF PROCEDURE AND FORMS.

A. Changes by Attorney-in-Charge. Where it has been, or may at a subsequent date become, necessary for the Attorney-in-Charge to modify legal forms or procedure for use in the mobile drying equipment loan program, county committees shall incorporate any additions, deletions, or changes in such forms which are suggested by the Attorney-in-Charge who services the particular State.

B. Correction of Documents. Where it appears necessary to record corrective instruments the document to be executed shall bear the word "Corrective" immediately below the title. All dates except those with reference to the date of another document, for example, the date of the promissory note, shall be shown as the date on which the corrective instrument is being executed. In addition, immediately prior to the signature lines there shall be inserted the following:

"This instrument is intended to be merely corrective of an earlier instrument dated \_\_\_\_\_ filed or recorded in Volume \_\_\_\_\_, Page \_\_\_\_\_, as Document No. \_\_\_\_\_, and is not intended to change in any way the rights, duties or obligations of the parties hereto as to such rights, duties, or obligations as were set out in the original instrument heretofore recorded, except insofar as said instrument is corrected hereby."

SECTION 10. FORMS AND DOCUMENTS

27. GENERAL.

A. Use. The application, promissory note, and disbursement report shall be used for both "direct" and "indirect" type loans. There appears a table in Figure 1, page 25, showing the form and copies required for each type of loan.



B. Number Each Form. Each form shall be numbered by showing in the space provided, the State and county codes and the commitment serial number, hereinafter called "serial no.". Only one series of numbers shall be used for all equipment loans.

28. APPLICATION FOR LOAN ON MOBILE DRYING EQUIPMENT, Commodity Credit Corporation Form 302.

A. Number of Copies. Two copies of this form shall be executed by the applicant and spouse, if any, in the county office.

B. Prior Approval of Applications For Loans of \$5,000 or Over. All applications for mobile drying equipment loans in the amount of \$5,000 or over shall be submitted through the State office to the Deputy Administrator, Operations, for review and approval PRIOR to the issuance of the commitment.

\*--C. Disposition of Copies. If the commitment is approved by the county committee, only the original copy of the "loan commitment" shall be signed by a member of the county committee and delivered to the borrower. The unsigned copy shall be kept in the producer's file in the county office. When the loan is completed, the original copy of the loan commitment must be turned over to the lending agency in the case of an indirect loan, or be retained in the producer's file in the county office in the case of a direct loan. The unsigned copy shall be furnished to the borrower when the loan is completed.--\*

D. Voiding of Undisbursed Loan Commitment. Unless the loan has been completely and totally disbursed, the loan commitment shall become null and void four months after its date unless extended in writing by the county committee on or before its expiration date.

29. PROMISSORY NOTE - MOBILE DRYING EQUIPMENT LOAN, Commodity Credit Corporation Form 303.

A. Execution of Note. The note shall be signed by the borrower(s) and spouse(s), if any, and it must be witnessed in the space provided. The note shall be executed at the time of disbursement and dated accordingly.



B. Payee, Direct Loan. If the loan is a DIRECT loan, the Commodity Credit Corporation shall be named as payee in the note, and the original and two copies shall be executed. The draft number, amount and date of disbursement shall be entered on the note at the time of disbursement of the loan. The original shall be placed in the county office custody file, one copy placed in the producer's file, and a copy furnished to the borrower.

C. Payee, Indirect Loan. If the loan is an INDIRECT loan, the lending agency shall be named as payee in the note, and the original and two copies of the note shall be prepared by the county office. The note shall be executed at the time disbursement is to be made by the lending agency. The lending agency will indicate the date and amount disbursed on the original and all copies of the note. Within one week after the loan is disbursed, the lending agency shall furnish one copy of the note to the producer and shall transmit a copy to the county office, which will place the note in the producer's loan file.

30. MOBILE DRYING EQUIPMENT CHATTEL MORTGAGE, Commodity Credit Corporation Form 304.

A. Execution of Chattel Mortgage. The chattel mortgage shall be executed by the borrower and spouse (if any), and promptly filed or recorded in accordance with the requirements of the State law. The chattel mortgage shall be recorded in the proper recording books, which, in some States, is the chattel mortgage record, and in some States, a special record for that purpose. Information as to the proper place for recording the chattel mortgage may be obtained from the recording clerk or the Attorney-in-Charge. The cost of recording shall be paid by the applicant. The cost of filing any extension or annual statement shall also be paid by the borrower (see paragraph 13 F).

B. Copy and Filing Requirements, Direct Loan. If the loan is a DIRECT loan, the original and two copies shall be executed and the original of the chattel mortgage shall be promptly filed or recorded. After recording or filing of the chattel mortgage, one copy shall be furnished to the borrower with his copy of the note, and one copy shall be placed in the producer's file. Indicate on the county office copy, the date of recording or filing, place, book number, and page number.

C. Copy and Filing Requirements, Indirect Loan. If the loan is an INDIRECT loan, the original and three copies of the chattel mortgage shall be prepared by the county office, and all copies shall be furnished to the lending agency. The lending agency shall be responsible for the recording or filing of the chattel mortgage and shall indicate on the county office copy the date of recording or filing, place, book number and page number. This copy shall be returned to the county office and shall be placed in the producer's file. A copy of the chattel mortgage shall be delivered to the borrower by the lending agency with his copy of the note, and a copy of the chattel mortgage shall be retained by the lending agency.

\*--D. Description of Equipment. In addition to the "Name of Manufacturer", "Type or Description", and "Size or Capacity", of the dryer, there shall also be indicated the "Serial No." or the "Motor No." (specify which) of the dryer secured by the Chattel Mortgage. This information shall be shown directly below the "Name of Manufacturer".--\*

31. CERTIFICATION FOR DISBURSEMENT OF PROCEEDS FOR MOBILE DRYING EQUIPMENT LOAN, Commodity Credit Corporation Form 305.

A. Execution and Copy Requirements, Direct Loan. For direct loans, the original and two copies of this form shall be executed. This form will be used for certification of disbursement, and may be signed by a representative of the county committee. The original shall be sent to the commodity office with the copy of the related sight draft, and a copy shall be placed in the producer's file in the county office. A copy shall also be furnished to the borrower.

B. Execution and Copy Requirements, Indirect Loan. For indirect loans, the original and two copies of this form shall be prepared by the county office, and all copies shall be furnished to the lending agency. When disbursement is made by the lending agency, the date of disbursement shall be indicated on the original of the form which must be returned to the county office and placed in the producer's file. One copy of the form shall be retained by the lending agency, and a copy shall be furnished to the borrower.

C. Receipted Bills. The borrower shall be required to furnish a receipted bill, furnishing information including but not limited to showing the cost of the dryer or mobile drying equipment and amount of cash down-payment, before the loan is disbursed. A copy of the receipted bill shall be retained in the producer's file in the county office.

D. Notation of Compliance With Insurance Requirements. Notation shall be made on the county office copy of CCC Form 305 that insurance requirements have been complied with by the borrower.

32. ASSUMPTION AGREEMENT, Commodity Credit Corporation Form 306.

In the case of direct loans, four copies of the assumption agreement shall be prepared by the county office and it must be signed by all the parties. The original shall be filed or recorded, and copies furnished to the borrower and the buyer. A copy shall also be placed in the producer's file in the county office. In the case of indirect loans, five copies of the form shall be prepared and the same distribution will be made and a copy shall be furnished to the lending agency. (See paragraph 19 for additional information concerning the use of this or similar forms.)

FIGURE 1. FORMS AND COPIES REQUIRED

Commodity Credit Corporation		Copies Required	
Form Number		Direct Loans	Indirect Loans
Application for Loan	302	2 <u>1</u> /	2 <u>1</u> /
Promissory Note	303	3	3
Chattel Mortgage	304	3	4
Disbursement Report	305	3	3
Assumption Agreement	306	4--If Required	5--If Required

1/ Copy to be furnished to applicant after approval of loan commitment by county committee.

NOTE: If application for drying equipment loan in amount of \$5,000 or over, withhold approval of commitment pending review and approval by Deputy Administrator, Operations, in accordance with paragraph 4.

33-41 RESERVED.





## PART 3. RECORDS, REPORTS AND LOAN CUSTODY

## SECTION 1. RECORDS OF INDIVIDUAL LOANS

42. PRODUCERS' FILES.

Maintain a separate file folder in the county office for each loan. File copies of all documents and pertinent material relating to the loan in the folder.

43. LOAN SERIAL NUMBER CONTROL RECORD.

Maintain a loan serial number control record with columns for (a) loan serial number, (b) name and address of applicant and (c) date application received. Enter applications for loans upon receipt in numerical sequence and enter the assigned loan serial number on each application and related documents.

## SECTION 2. SUMMARY RECORD OF LOANS (FORM 274)

44. GENERAL.

Each county office shall maintain a summary record covering mobile drier loans on Commodity Credit Corporation Form 274, County Office Loan and Custody Record and Report. Continue this summary record until all loans disbursed by the county office or lending agencies have been repaid, or removed from the record by other actions as described in this part. Form 274 is a 3-part form which serves as a summary record of all loan transactions and balances and as a report of such transactions and balances to the State office and the CSS commodity office.

45. ESTABLISHMENT AND MAINTENANCE OF FORM 274.

Start a new page of the record on the first business day after each reporting date prescribed in paragraph 51. If all the lines on a page are used before the next reporting date, start another page. Make entries in the spaces provided in the heading of the form as follows:

- A. Check the box for "Mobile Drying Equipment".
- B. Enter State name and code.
- C. Enter county name and code.

D. Enter loan record page number. Number the first page of the record page "1" and subsequent pages in sequence until the record is discontinued at the end of the program.

E. Enter the period covered by the record page, for example: "July 1 - July 31, 1959". If more than one page is used during the same period, all pages should show the same period in this space.

46. RECORDING TRANSACTIONS ON FORM 274.

A. General. Make entries on Form 274 daily as transactions occur in the county office or documents are received from lending agencies. Record transactions on the record covering the period in which they occur (as indicated in the heading of Form 274) if the document to be recorded is available before copies of the record are forwarded to the State office. This is particularly important at June 30 of each year in order that all transactions will be recorded before closing the records for the fiscal year. Enter transactions represented by documents received after copies of the record for a particular period have been forwarded to the State office on Form 274 for the succeeding period.

B. Loans Disbursed by Lending Agencies. Record disbursements of loans by lending agencies on Form 274 from the executed Certificate for Disbursement of Proceeds for Mobile Drying Equipment Loan (Form 305) returned to the county office by such agencies. Record the date of disbursement in column 1, the loan serial number in column 2, and the amount disbursed in column 5.

C. Loans Disbursed by the County Office. Record disbursement of direct loans (by CCC sight draft) on Form 274 from the Certificate for Disbursement of Proceeds for Mobile Drying Equipment Loan (Form 305). Record the date of disbursement in column 1, the loan serial number in column 2, and the total amount disbursed in column 8.

D. Additional Charges Paid by the County Office. If any additional charges, relating to loans are paid by CCC sight drafts while the loan remains on the loan record (Form 274) the amount of such charges shall be recorded on Form 274 from Form CL-49. Enter the date of disbursement in column 1, the loan number in column 2, and the amount paid in column 8. Do not record charges paid after a loan has been removed from the loan record by transfer to the debt record according to paragraph 46 H on Form 274 but enter directly on the debt record.

E. Lending Agency Loans Repaid. Record amounts of principal repaid to lending agencies on loans held by them on Form 274 from the copies of Form 500 received from them. Record the repayment date in column 1, the loan serial number in column 2 and the amount of principal repaid in column 6. Do not record the amount of interest paid on Form 274.

F. CCC Loans Repaid. Record amounts of principal collected by county offices on loans held by CCC, including insurance proceeds applied as repayments of loan principal, on Form 274 from the Schedule of Deposits, Form 257. Record the date of the Form 257 in column 1, the serial number of the schedule in column 3 and the amount of principal repaid in column 9. Do not enter the amount of interest repaid on Form 274. Each loan repayment may be entered separately, showing the loan number in column 2; however, the serial number of the Form 257 must be shown in column 3.

G. Loans Purchased by CCC. Record the principal amount of each loan purchased from a lending agency on Form 274 from the note and related lending agency transmittal. Record the date of purchase in column 1, the loan number in column 2, and the amount of loan principal purchased in column 7. Do not enter the amount of interest paid to the lending agency on Form 274.

H. Loans Called and Defaulted. In any case where a loan is called or accelerated under the procedures set out in this handbook, and the borrower does not repay the loan upon demand, remove the total unpaid balance of principal and charges from the loan records and enter on the debt record. Record the transfer on Form 274 on the basis of the notice to the borrower. Record the date of transfer in column 1, the loan number in column 2, and total amount of unpaid principal and charges in column 11.

I. Totals. At the end of each period in which any transactions are recorded, compute totals and enter in columns 4 through 11. If more than one page has been used during the period, enter the totals of all transactions recorded during the period on the last page and leave the total lines on the preceding pages blank.

47. CORRECTIONS OF ERRORS IN CCC FORM 274.

A. Corrections Prior to Release of Form 274. Any error caused by posting an item incorrectly on Form 274 may be corrected at any time before releasing the copies of Form 274 by lining out the incorrect entry and making the correct entry or by correcting the original entry. All corrections must appear and be legible on all copies of Form 274.



B. Correction After Release of Copies of Form 274. Correct posting errors discovered after releasing the copies of Form 274 by making correction entries to the Form 274 for the period in which the error is discovered or brought to the attention of the county office. To correct an error, enter on one line of the form "Correction of entry dated \_\_\_\_\_, on page \_\_\_\_\_." On the next line, repeat the entry as originally recorded except: indicate a minus amount by enclosing the amount in parentheses, e.g., (\$1,282.09). If the transaction is proper for entry on Form 274 covering mobile drier loans, enter it correctly on the next line. It should be noted that amounts enclosed in parentheses are to be subtracted in computing the totals to be entered in columns 4 through 11.

48. ENTERING LOAN BALANCES ON FORM 274.

A. General. Enter loan balances at the beginning of the period and at the end of the period in block E, lines (1) and (2) of Form 274 at the end of each record period, prior to separation of copies of the form. If more than one page has been used for the loan record during the period, enter the balances on the last page. These balances represent the total unpaid principal balance of all loans, excluding any balance on defaulted loans which have been transferred to the debt record.

B. Balances Brought Forward. Obtain the "Balances Brought Forward" to be entered in block E, line (1) of all Forms 274 from block E, line (2) of the Form 274 for the preceding period.

C. Balances at End of Period. Compute the balances to be entered in block E, line (2) of all Forms 274 as follows:

1. Lending Agency Loans. Compute the ending balance for lending agency loans by adding the total in column 5 of Form 274 to the balance of lending agency loans entered in block E, line (1) (as explained above) and subtracting therefrom the totals in columns 6 and 7. Also, subtract the principal balance of any loans transferred to other county offices and add the principal balance of any loans transferred from other county offices (show footnote explanation). Enter the balance in block E, line (2) in the column headed "Lending Agencies."



2. CCC Loans. Compute the ending balance for CCC loans by adding the totals in columns 7 and 8 of Form 274 to the balance of CCC loans entered in block E, line (1) (as explained above) and subtracting the totals in columns 9, 10 and 11. Also, subtract the principal balance of any loans transferred to other county offices and add the principal balance of any loans transferred from other county offices (show footnote explanation). Enter the balances in block E, line (2) in the column headed "CCC (County Office Custody)."

49. ENTERING SUMMARY DATA ON FORM 274.

A. General. Enter summary data, as required by the form, at the end of each record period, prior to separation of copies of the form, except enter accrued interest receivable only on Form 274 covering the period ending at June 30 each year. If more than one page has been used for the loan record during the period, enter the summary data on the last page.

B. Obtaining and Entering Summary Data. Obtain or compute the summary data and enter on Form 274 as follows:

1. Number of Loans Disbursed This Month. Count the number of loans disbursed during the period and enter in block A, line (1). Include loans disbursed by sight draft and loans disbursed by lending agencies in this total.

2. Number of Loans Outstanding at End of Month. Count from the producers' files, the number of loans for which any part or all of the principal remains unpaid, excluding any defaulted loans which have been transferred to the debt record according to paragraph 46, and enter the total in block A, line (2). Include loans held by lending agencies and loans held by CCC in this total.

3. Loan Commitments Not Disbursed at End of Month. Compute from approved Forms 302 for loans which have not been disbursed and for which the commitments have not expired, the amount approved but not disbursed. Enter the amount in block B, line (1). No entry will be made in block B, line (2).

4. Delinquent Loans Outstanding. Determine, separately for CCC loans and lending agency loans, by reference to the producers' files, the number and outstanding principal balance of delinquent loans as of the last day of the record period. For this purpose only, consider a loan delinquent (and include the total outstanding principal balance in the total for delinquent loans) whenever the whole loan, one or more installments or part of an installment in excess of \$10.00 is delinquent according to the regulations and program instructions. Enter the data in block C, lines (1) and (2) as indicated on the form.

5. Accrued Interest. At the end of each fiscal year (as of June 30) compute the total amount of accrued interest through that date on all outstanding loans held by CCC. Prepare a list of loans held by CCC showing loan number, principal balance, date to which interest has been paid and the amount of accrued interest computed through June 30. Do not include loans held by lending agencies or loans which have been defaulted, for which the loan balances have been transferred to the debt record. Enter the total amount of accrued interest on CCC loans in block D. Hold the list in the county office files.

### SECTION 3. LOAN AND CUSTODY REPORT

#### 50. FORM, PURPOSE AND GENERAL REPORTING REQUIREMENTS.

Submit the copies of Form 274, County Office Loan and Custody Record and Report, to the State office at the end of each record period. These copies represent the loan and custody report. One copy will be forwarded by the State office to the commodity office, where it will be used to record transactions relating to lending agency loans and to reconcile the loan balances shown on the form with the summary records in the commodity office. The summary data shown on the form will be used by the commodity office for reporting loan data to the Washington office. Prior to submission of the copies of Form 274 to the State office, the balance of CCC loans shall be proved or reconciled to the notes in the county office custody file as prescribed in paragraph 52 and the form shall be signed by the county office manager or his designee. The signature shall appear on both copies.

**51. DATES FOR SUBMISSION OF LOAN AND CUSTODY REPORT.**

Submit loan and custody reports, Form 274, as of the last day of each month except June so as to reach the State office not later than the 5th of the month. Submit the report as of June 30 of each year so as to reach the State office not later than July 10, unless another date is specified in special instructions relating to the annual closing of CCC accounts.

**52. BALANCING OF CUSTODY FILES TO FORM 274.**

**A. Proof of Total Balance of CCC Loans in Custody File to Related Total on Form 274.** As of the close of business the last day of each record period total the unpaid principal amounts of the individual original notes for mobile drier loans held in the county office custody file. The total obtained should agree with the balance of CCC loans shown on Form 274 in block E, line (2).

**B. Locating Differences.** In the event of disagreement prove the columnar totals and the balance of CCC loans on the Form 274. If no error is found in the Form 274 obtain all documents representing notes received in custody, loans repaid, and notes released since the last proof of balance and verify postings to the Form 274.

**C. Submission of Form 274 Prior to Locating Difference.** If the original notes in the custody file for the mobile drier loans cannot be balanced to the related total on Form 274 prior to submitting the loan and custody report according to the dates prescribed in paragraph 51, sign the Form 274 and forward without final balancing. In such case, type "See attached statement" immediately above the signature, and attach a statement to the report (both copies) indicating the total principal amount of notes held in custody (per adding machine tape of notes in custody file) and any additional information which can be furnished regarding the difference. Complete final balancing as soon as possible. Enter any necessary corrections to the Form 274 as a result of final balancing on the Form 274 for the period in which the error is discovered, as prescribed in paragraph 47.



53. STATE OFFICE HANDLING OF LOAN AND CUSTODY REPORTS.A. Obtain Forms 274 and Forward Copies to Commodity Office.

The State office shall obtain loan and custody reports from all counties having any mobile drier loan activity or balances as of each reporting date prescribed in paragraph 51. If possible, obtain all required reports, except the reports as of June 30 each year, and forward the first copies so as to reach the commodity office not later than the 10th of the month. The second copy is for use of the State office. The reports as of June 30 should be received by the commodity office by July 15 unless another date is prescribed in special instructions relating to the fiscal year closing of CCC accounts. If all reports cannot be obtained in time to forward them according to the above schedule, forward the available reports on time and advise the commodity office of the missing reports. Forward the other reports as soon as possible.

B. Corrections to Forms 274. The State office should not make any corrections of the entries on Form 274. Attention is invited to the instructions in paragraph 47 for correcting entries on this form. If any corrections are necessary in the loan balances or summary data, make them on both copies and instruct the county office to correct the original. The totals of loans made by lending agencies and loans repaid to lending agencies shown in columns 5 and 6 of Form 274 are the most important data to be recorded from the form by the commodity office; therefore, it is preferable that reports showing such activity not be delayed, even though other data may be questioned by the State office. If errors in summary data or loan balances are disclosed after forwarding the first copy to the commodity office, advise the commodity office of any corrections being made on the original.

## SECTION 4. CUSTODY OF NOTES AND RELATED OPERATIONS

54. SAFEKEEPING OF ORIGINAL NOTES AND SUPPORTING DOCUMENTS.

A. Responsibility. The "County Office Custodian" designated in writing by the county office manager shall be responsible for the safekeeping of all original notes representing CCC loans (direct loans and purchased loans). In the absence of the custodian the designated alternate shall be likewise responsible for the duration of such absence. Maintain the original notes in a vault, safe, or locked file cabinet with adequate fire preventative features. Restrict the control of keys and knowledge of combinations to the least possible number of employees.

B. Maintenance of Custody File.

1. Receipt of Notes. Place the original notes in the custody file immediately after disbursement of the loans by sight draft or purchase of the loans from lending agencies. It is suggested that the custody file be maintained in sequence by loan serial number within program.

2. Endorsement of Partial Repayments on Notes. Endorse each partial repayment on the reverse side of the original note (date and amount of principal repaid).

3. Release of Notes. Remove the original notes from the custody file and release from custody upon full or final repayment of the loan. Notes may be removed from the file for other authorized purposes (such as for use in legal proceedings); however, hold a receipt or other document showing the loan number, name of borrower, unpaid principal balance and purpose of removal in the file in such cases for use in lieu of the note in balancing the custody file to Form 274. After a loan has been defaulted and entries have been made on Form 274 to transfer the principal balance to the debt record, remove the note from the regular custody file and hold in a separate file. Do not add the amounts of such notes into the total of CCC loans obtained to balance the custody file with the total on Form 274.

55. PURCHASE OF LOANS FROM LENDING AGENCIES.

A. General. Purchase mobile drier loans from lending agencies whenever submitted by them.

B. Examination. Examine the note and related document prior to purchase to determine that the loan is proper for purchase, that the note is properly executed, that a transfer and assignment to CCC has been executed, and that all required documents, in proper form and properly executed, are attached. Check the principal balance claimed by the lending agency to the note and supporting documents and the county office records, giving particular attention to proper reduction for repayments.

C. Computation of Interest. Compute interest to be paid to the lending agency from the date to which interest has been paid by the borrower (or the date of disbursement, if no repayments have been made) to, but not including, the date following the day on which it is estimated the lending agency will receive the CCC sight draft. This will allow the bank one day for obtaining credit at the Federal Reserve bank. The day to which interest is computed should always be a banking business day in order to permit credit on the day to which interest is computed.

D. Issuance of Draft and Distribution of Documents. Issue a CCC sight draft to the lending agency for the total amount of principal and interest for the loans purchased, according to the CCC Sight Draft Handbook. Issue the draft so that it will be received by the lending agency one business day before the date to which interest has been computed as provided above. Forward the original draft to the lending agency. Forward a copy of the lending agency transmittal, or a brief statement prepared in the county office, to the commodity office with the CCC sight draft document transmittal. The transmittal copy, or statement, shall show the name of the borrower, the loan number, the unpaid principal balance, the interest due the lending agency and the date, number and amount of the sight draft. The notes shall be filed in the custody file.



56. REPAYMENT OF CCC LOANS.

All repayments on CCC loans will be received in the county office. Deposit the amounts collected at the Federal Reserve bank by the county office according to the handbook procedures for handling CCC collections. It is essential that the schedule of deposit (Form 257) show the amount collected properly distributed between principal and interest. Apply all amounts repaid first to liquidate accrued interest to the date of repayment, except that where such application would leave a principal balance of \$3.00 or less on the loan, apply the amount repaid first to liquidate the entire principal balance and apply the remainder to interest.

57. ISSUANCE OF COMMODITY CREDIT CORPORATION FORM 500, REPAYMENT RECORD.

A. Preparation. Prepare Commodity Credit Corporation Form 500 for each loan repayment received by the county office on a CCC loan as follows:

1. Loan Serial Number. Enter State code, county code, and loan number.
2. Commodity and Year. Enter "Mobile Drier."
3. Original Loan. Enter total principal amount of loan.
4. Date of Disbursement. Enter date loan was disbursed.
5. Name and Address. Enter borrower's name and address.
6. Item 1. Enter the previous balance of unpaid principal. This is the amount of the original loan or the balance shown in item 5 of the Form 500 for the last partial repayment.
7. Item 2. Enter the date the repayment was received and the amount of the remittance. If the collection is being made by set-off, enter the total amount being collected by set-off and also enter before the dollar sign "Set-off from ACP (or sugar) application," "Set-off from 1956 corn loan (number)," or other appropriate explanation.

8. Item 3 a. For the first repayment, enter the date to which interest is being paid and the amount applied to interest. For subsequent repayments, strike out "Date of Disbursement" and enter the date to which all interest has previously been paid, the date to which all interest is being paid, and the amount applied to interest. The amount applied to interest may be the total payment (item 2). If the amount in item 2 is not sufficient to pay all accrued interest to the date the repayment is received, compute the date to which such amount will pay accrued interest and show this date. If the borrower voluntarily pays interest to a future date, such date should be indicated in item 3 a.

9. Item 3 b. No entry required.

10. Item 4. Deduct the amount in item 3 a from the amount in item 2 and enter the remainder in item 4. If there is no remainder, enter "None".

11. Item 5. Deduct the amount (if any) in item 4 from the amount in item 1 and enter the remainder in item 5. If the loan is fully repaid, enter "None".

12. Lending Agency. Enter "Commodity Credit Corporation".

13. By. Enter signature.

B. Distribution of Form 500. Distribute Form 500 as follows:

1. Original. To payee.

2. 1st Copy. File in the producers' file.

3. 2nd Copy. This copy may be destroyed.

58. NOTICE TO THE COMMODITY OFFICE REGARDING LOANS TRANSFERRED TO THE DEBT RECORD.

In any case where the unpaid balance of a loan is transferred to the debt record as provided in paragraph 46, it is necessary that the commodity office be advised. Furnish such advice by preparation and distribution of CCC Form 364 in accordance with 58-FI.

## SECTION 5. RECONCILIATION OF LOAN RECORDS AND ACCOUNTS

59. PERIODIC RECONCILIATION BETWEEN COMMODITY OFFICE AND COUNTY OFFICE RECORDS.

Periodically the commodity office will reconcile its loan accounts with the balances reported by the county office on Form 274. Differences may result from erroneous entries made by the counties or the commodity office or from omissions by either office. If the reconciliation discloses differences which require action or explanation by the county office, the commodity office will write to the county office through the State office regarding the differences. In order to facilitate correction of any errors, the county office shall comply promptly with any requests received for information regarding particular transactions, for submission of copies of lost documents or for other action necessary to correct or complete the accounting records.

60. PERIODIC RECONCILIATION OF COUNTY OFFICE RECORDS OF LOANS HELD BY LENDING AGENCIES.

Semi-annually, or more frequently, the county office shall reconcile the balance of loans held by lending agencies as reflected in Form 274, block E, (2) with the total of the loan balances reflected on the copies of notes (or the latest Form 500, if repayments have been made on the loan) in the producers' files. An adding machine tape of the balances may be prepared and the total compared to the balance shown on Form 274. If they are not in agreement and the differences cannot be identified, prepare a listing showing loan number and principal balance for each loan. Verify the listing to the individual entries on Forms 274. Correct errors found in Forms 274 in accordance with paragraph 47. Retain work papers reflecting the reconciliations in the county office files.





COMMODITY CREDIT  
CORPORATION FORM 302  
(6-1-56)U. S. DEPARTMENT OF AGRICULTURE  
COMMODITY STABILIZATION SERVICE  
COMMODITY CREDIT CORPORATIONFORM APPROVED  
BUDGET BUREAU NO. 40-R2059.2

STATE

COUNTY

SERIAL NO.

## APPLICATION FOR LOAN ON MOBILE DRYING EQUIPMENT

NAME AND ADDRESS OF APPLICANT

The undersigned hereby applies for a loan or the guarantee of a loan of \$\_\_\_\_\_ of the rate of 4 percent interest per annum, to purchase Mobile Drying Equipment described below. The principal to be repayable in equal annual installments over a period of \_\_\_\_\_ years, with interest on the unpaid balance.

## DESCRIPTION OF PROPOSED EQUIPMENT

NAME OF MANUFACTURER	TYPE OR DESCRIPTION	SIZE OR CAPACITY	COST
			\$
			\$
			\$

Prior to the Approval of this Application, the Borrower is required to furnish to CCC, information on the equipment he proposes to purchase (shown above), such as drawings, specifications, or pictures, and in the case of tunnels and/or ventilators, a sketch or drawing showing how this equipment is to be used and placed in the structure.

EXPLAIN NEED FOR PROPOSED EQUIPMENT

ADAPTABILITY OF STORAGE FACILITY TO INTENDED USE OF EQUIPMENT

APPLICANT IS (CHECK ONE)

OWNER-OPERATOR ☐TENANT-SHARE  
LANDLORD ☐PARTNERSHIP OF  
PRODUCERS ☐

IF LOAN IS TO BE OBTAINED FROM LENDING AGENCY, SHOW NAME AND ADDRESS THEREOF

NAME AND ADDRESS

## THE APPLICANT AGREES, REPRESENTS AND WARRANTS:

- (A) He will, at the time he obtains loan, execute a note and chattel mortgage on the equipment, or any other security instruments as may be required by Commodity Credit Corporation, in form approved by CCC.
- (B) He will, before any disbursement is made, secure insurance at his own expense, in an amount to cover the loan and for the life of the loan, with a loss payable clause to Commodity Credit Corporation or to the lending agency as their security interests may appear. A copy of the insurance policy shall be delivered to Commodity Credit Corporation or to the lending agency, before the loan is closed. If the loan is extended, he also agrees to secure additional insurance, at his own expense, for the extended period, prior to the approval of such extension.
- (C) He will maintain the equipment in good condition and available for use during the life of the loan.
- (D) Prior to the closing of the loan, he will present a bill of sale or other satisfactory evidence of the purchase and delivery of the equipment described above. The county records shall be checked by CCC or the lending agency to determine that no chattel or conditional sale contract specifically covering the equipment has been filed or recorded.
- (E) Any authorized representative of the Commodity Credit Corporation or the holder of the note may at any time enter upon the premises where the mortgaged property is located and inspect same.
- (F) Prior to disbursement of the proceeds of the loan, either by CCC or the lending agency, he will furnish evidence that any debts on the equipment not discharged by such proceeds have been paid, and he will use the proceeds disbursed to pay any debts due on the equipment.
- (G) He will pay the cost of recording or filing of all documents required in connection with the loan, including but not limited to mortgages, notes, extensions, annual statements or releases.

SIGNATURE OF APPLICANT(S)

DATE OF APPLICATION \_\_\_\_\_

NOTE: A Service Fee of \$\_\_\_\_\_ must be paid  
prior to the approval of this application.

(Over)

COMMODITY CREDIT CORPORATION FORM 302 (REVERSE)

**LOAN COMMITMENT**

A loan in the amount of \$\_\_\_\_\_ for a term of \_\_\_\_\_ years is approved, and a commitment for the loan, or the guarantee of such loan, not to exceed 75 percent of the delivered and assembled cost, exclusive of farm labor costs, is hereby made by the Commodity Credit Corporation for the purpose of enabling the applicant to purchase Mobile Drying Equipment, as described herein, and the Commodity Credit Corporation agrees to (1) guarantee the payment of the principal and interest to any lender who makes the loan, and who was entered into a "Lending Agency Agreement For Storage Equipment Loans" with the Corporation, or (2) make the loan directly if satisfactory financing cannot be obtained elsewhere, or the applicant desires to obtain the loan from CCC, provided CCC approves the placement of the equipment in the structure, and providing a promissory note and mortgage in form approved by CCC is executed by the Borrower(s). This commitment shall become null and void 4 months after its date unless extended in writing by the County Committee.

**COMMODITY CREDIT CORPORATION  
AGRICULTURAL STABILIZATION & CONSERVATION COUNTY COMMITTEE**

BY \_\_\_\_\_

TITLE \_\_\_\_\_

DATE \_\_\_\_\_



COMMODITY CREDIT  
CORPORATION FORM 303  
(6-1-56)U. S. DEPARTMENT OF AGRICULTURE  
COMMODITY STABILIZATION SERVICE  
COMMODITY CREDIT CORPORATION

STATE

COUNTY

SERIAL NO.

**PROMISSORY NOTE - MOBILE DRYING EQUIPMENT LOANS**

NAME AND ADDRESS OF BORROWER

AMOUNT

\$

DATE

For value received, the undersigned, jointly and severally, promise to pay to the order of \_\_\_\_\_

\_\_\_\_\_ the sum of \$ \_\_\_\_\_

with interest at the rate of 4 percent per annum from date hereof until paid, the principal payable in \_\_\_\_\_ equal principal payments with interest on the unpaid balance. The first principal payment, including interest, shall be due on the first anniversary date of the disbursement of the loan and a like principal payment, plus interest, due on each anniversary date thereafter, until the principal, together with interest thereon, has been paid in full. Unless an extension or deferment is granted by Commodity Credit Corporation in writing, each installment must be paid not later than the applicable anniversary date of the disbursement of the loan, and failure to pay any installment by the twelfth month after such date or extension or deferment thereof, shall mature all installments then unpaid and the entire unpaid amount of this note without demand, notice or other action, shall become immediately due and payable, and the Borrower shall be personally liable for the entire amount remaining unpaid on the loan. Any delinquent loan may be deducted and paid out of any amounts due the Borrower under any program carried out by the Department of Agriculture, excepting amounts due the Borrower out of appropriated funds, i.e., funds other than CCC funds, when the loan is held by a Lending Agency.

Upon breach by the maker of any covenants and agreements on his part to be performed under the mortgage which secures this note, or any other instruments executed in connection with the loan, the holder, at its option, may declare the entire indebtedness to be immediately due and payable.

This note evidences a loan to the Borrower made, or guaranteed by the Commodity Credit Corporation, pursuant to the Commodity Credit Corporation Charter Act, as amended, for the purpose of enabling the Borrower to purchase Mobile Drying Equipment.

Presentment, protest, and notice are hereby waived.

AMOUNT DISBURSED

DATE DISBURSED

DRAFT NO.

**WITNESS:**

(SIGNATURE)

(SIGNATURE OF BORROWER)

(ADDRESS)

(SIGNATURE OF BORROWER'S SPOUSE)

III

(

(

COMMODITY CREDIT  
CORPORATION FORM 304  
(6-1-56)U. S. DEPARTMENT OF AGRICULTURE  
COMMODITY STABILIZATION SERVICE  
COMMODITY CREDIT CORPORATION

STATE

COUNTY

SERIAL NO.

## MOBILE DRYING EQUIPMENT CHATTEL MORTGAGE

This Chattel Mortgage secures a loan made available by Commodity Credit Corporation, an Agency of the United States, pursuant to the Commodity Credit Corporation Charter Act, as amended. Such loan is evidenced by a note executed by the undersigned Mortgagor (hereinafter referred to as the "Mortgagor") in the amount of \$ \_\_\_\_\_ to \_\_\_\_\_ dated \_\_\_\_\_, 19\_\_\_\_ payable in annual installments as therein provided. The final maturity date being \_\_\_\_\_, 19\_\_\_\_.

1. The Mortgagor hereby sells, assigns, mortgages, and/or hypothecates to the payee named in the above described note (hereinafter referred to as the "Note"), and to any subsequent holder thereof, as collateral security for the payment of the note, plus interest, and charges the following described Mobile Drying Equipment (hereinafter referred to as the "Mortgaged Property"); to-wit:

NAME OF MANUFACTURER	TYPE OR DESCRIPTION	SIZE OR CAPACITY

Said Mortgaged Property being located upon the premises in the Mortgagor's possession known as the \_\_\_\_\_ farm or ranch situated approximately \_\_\_\_\_ miles in a \_\_\_\_\_ direction from the town or city of \_\_\_\_\_ County of \_\_\_\_\_ State of \_\_\_\_\_, said premises consisting of a certain parcel or parcels of land, more specifically described, to-wit: \_\_\_\_\_ of the \_\_\_\_\_ 1/4 Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_

To have and to hold the Mortgaged Property forever upon condition that if the Mortgagor shall pay or cause to be paid the above described note according to the tenor thereof, these presents to be null and void, otherwise to be in full force and effect.

2. The Mortgagor represents, covenants, and agrees that:

- (A) He is absolute and exclusive owner of the Mortgaged Property, and said property is free from all liens and encumbrances, and he will warrant and defend the Mortgaged Property against any and all persons whomsoever.
- (B) He will properly care for the Mortgaged Property and keep it in good condition until the loan is repaid; he will promptly pay all taxes, liens, and other charges assessed upon or attaching to the Mortgaged Property; he will not sell, remove, or encumber the Mortgaged Property.
- (C) He will keep the Mortgaged Property insured, at his own expense, in such amounts, and against such hazards, and under such terms and conditions, as Commodity Credit Corporation may require. Any proceeds from such insurance shall, at the option of Commodity Credit Corporation, be applied to the debt secured hereby, or shall be used by the Mortgagor for the replacement or repair of the property.
- (D) Any authorized representative of the Commodity Credit Corporation or of the holder of the note may at any time enter upon the premises where the Mortgaged Property is located and inspect the same.

3. If any of the representations or warranties made by the Mortgagor herein, or in his application for the loan secured hereby, prove to be false; or if the Mortgagor fails to comply with any of the covenants or agreements contained herein, or in said application; or if the Mortgagor shall be adjudicated a bankrupt or commit an act of bankruptcy, or make a general assignment for the benefit of creditors, or take advantage of any State or Federal insolvency law; or if the Mortgaged Property is attached or levied on by execution, decree, or other process from any court; or if the Borrower shall die or become incompetent; or if the Mortgagee or holder of the note shall deem itself insecure; then the Mortgagee or holder of the note may declare the whole of the indebtedness secured hereby at once due and payable. Upon such declaration, or the automatic acceleration of the due date of the note, the Mortgagee or holder of the note may foreclose in any manner authorized by law, may enter upon the premises and remove the Mortgaged Property, and sell the same, at such time, in such manner, for cash or upon such terms and conditions as it may determine, at private or public sale, and without demand, advertisement, or notice of the time and place of sale or adjournment thereof, or otherwise, and upon such sale the holder of the note may become the Purchaser of the Mortgaged Property.

4. In the event of the failure of the Mortgagor in any respect to comply with the covenants and conditions herein contained with respect to the payment of any charges, the Mortgagee shall have the right (without prejudice to any other rights arising by reason of such default) to advance or expend moneys for such purpose, and all sums so advanced, with interest at the rate of four percent per annum, shall become a part of the indebtedness secured hereby, and shall be carried as a delinquent payment due on the indebtedness.

5. The Mortgagor hereby waives all rights of appraisal, sale, and redemption he may otherwise have by law.

6. The Mortgagor certifies that (1) he has been and read a full, true, perfect and complete copy of the note, chattel mortgage, and application for the loan, (2) understands and agrees that the loan evidenced by the note is made subject to and in consideration of the representations and warranties and agreements contained therein.

Read, considered, and accepted this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

SIGNED AND DELIVERED IN THE PRESENCE OF:

_____ (WITNESS)	_____ (DATE)	_____ (SIGNATURE OF MORTGAGOR)
_____ (WITNESS)	_____ (DATE)	_____ (SIGNATURE OF MORTGAGOR'S SPOUSE)





## MOBILE DRIER LOAN HANDBOOK

EXHIBIT 4  
(6-GR 18-31)COMMODITY CREDIT  
CORPORATION FORM 305  
(6-1-56)U. S. DEPARTMENT OF AGRICULTURE  
COMMODITY STABILIZATION SERVICE  
COMMODITY CREDIT CORPORATION

STATE

COUNTY

SERIAL NO.

CERTIFICATION FOR DISBURSEMENT OF PROCEEDS  
FOR MOBILE DRYING EQUIPMENT LOAN

NAME OF BORROWER

ADDRESS

*The undersigned hereby certify that the Borrower has furnished satisfactory evidence that debts on the Mobile Drying Equipment not discharged by the loan proceeds have been paid. The following disbursement is hereby authorized:*

NAME AND ADDRESS OF PAYEE	DRAFT NO.	AMOUNT

*The undersigned hereby certify that all the conditions set out in the loan commitment have been met.*

APPROVED BY:

COMMODITY CREDIT CORPORATION  
AGRICULTURAL STABILIZATION & CONSERVATION COUNTY COMMITTEE

(SIGNATURE OF THE BORROWER)

BY

TITLE

(SIGNATURE OF THE BORROWER'S SPOUSE)

DATE

DATE

DATE DISBURSED

## INSURANCE

NAME OF INSURANCE COMPANY

ADDRESS

POLICY NUMBER

AMOUNT OF INSURANCE

YEARS OF COVERAGE

DATE OF POLICY





COMMODITY CREDIT  
CORPORATION FORM 306  
(6-1-56)U.S. DEPARTMENT OF AGRICULTURE  
COMMODITY STABILIZATION SERVICE  
COMMODITY CREDIT CORPORATION

STATE

COUNTY

SERIAL NO.

DATE

**ASSUMPTION AGREEMENT  
MOBILE DRYING EQUIPMENT**

Whereas, \_\_\_\_\_ (hereinafter called the "Borrower"),

County of \_\_\_\_\_, State of \_\_\_\_\_, has  
purchased Mobile Drying Equipment of the following description:

NAME OF MANUFACTURER	DESCRIPTION	SIZE OR CAPACITY

Said Mortgaged Property being located upon the premises in the Mortgagor's possession known as the \_\_\_\_\_  
 \_\_\_\_\_ farm or ranch situated approximately \_\_\_\_\_ miles in a \_\_\_\_\_erly direction  
 from the Town or City of \_\_\_\_\_ County of \_\_\_\_\_  
 and State of \_\_\_\_\_, said premises consisting of a certain parcel or parcels of land, more speci-  
 fically described to-wit:

\_\_\_\_\_ of the \_\_\_\_\_ 1/4 Section \_\_\_\_\_ Township \_\_\_\_\_ Range \_\_\_\_\_  
 and \_\_\_\_\_

Whereas, Commodity Credit Corporation, an Agent and Instrumentality of the United States, made available funds through  
 a loan or guarantee of a loan for the purpose of enabling the Borrower to purchase said Mobile Drying Equipment, which  
 loan is evidenced by a promissory note and secured by a Mobile Drying Equipment chattel mortgage both executed by the  
 Borrower and now owned and held by \_\_\_\_\_,  
 County of \_\_\_\_\_, State of \_\_\_\_\_, the said mortgage being of  
 public record in \_\_\_\_\_ County, State of \_\_\_\_\_, recorded  
 in book \_\_\_\_\_ page \_\_\_\_\_, recorder's document or filing number \_\_\_\_\_; Show either book and page or  
 document number.

and

Whereas, said Mortgage provided that if the Borrower sells the Mortgaged Equipment, then the Mortgagee or holder of the  
 note may declare the whole of the indebtedness at once due and payable, foreclose in any manner provided by law, and take  
 other action as set out in said Mortgage; and, Whereas, the Borrower desires to sell said Mobile Drying Equipment to

\_\_\_\_\_, (hereinafter called the "Buyer"), County of \_\_\_\_\_  
 \_\_\_\_\_, State of \_\_\_\_\_.

Now, therefore: in consideration of the mutual covenants herein contained:

## 1. The undersigned Buyer(s) and Spouse(s) agree(s) as follows:

(A) I (We) jointly and severally promise to pay to the order of \_\_\_\_\_  
 (HOLDER OF MORTGAGE)the unpaid balance of principal and any other charges which may be secured by said Mortgage, in accordance with  
 the terms, conditions, covenants, and agreements, thereof. The amount assumed is \$ \_\_\_\_\_.

Interest to accrue at the rate of 4 percentum per annum from date hereof until paid, the principal payable in equal

COMMODITY CREDIT CORPORATION FORM 306 (REVERSE)

annual installments, as stated in the original note executed by the Borrower.

The next installment, including interest shall be payable on \_\_\_\_\_, 19\_\_\_\_, and a like installment shall be similarly payable on each anniversary date of the disbursement of the loan thereafter until the principal, together with interest thereon, has been paid in full. Unless an extension or deferment is granted in writing by Commodity Credit Corporation, each installment must be paid not later than the applicable anniversary date of the disbursement of the loan, and failure to pay any installment by the twelfth month after such date or extension or deferment thereof, shall mature all installments then unpaid and the entire unpaid amount assumed herein, without demand, notice, or other action shall become immediately due and payable and the producer shall be personally liable for the entire amount remaining unpaid on the loan. Any delinquent loan may be deducted and paid out of any amounts due the buyer under any program carried out by the Department of Agriculture, excepting amounts due the Borrower out of appropriated funds, i.e., funds other than CCC funds where the loan is held by a Lending Agency.

(B) I (we) covenant and agree that in addition to assuming the Mortgage and the Mortgage Indebtedness that I (we) also agree to comply with all of the terms, conditions, covenants, and agreements set out in said Mortgage and that my (our) relationship to the Mortgagee and CCC will be governed by the provisions set out therein to the same extent as though I (we) were the original Borrower(s).

(C) I (we) will furnish such notes, mortgages, or other documents which Commodity Credit Corporation or the holder of said Mortgage may require in connection with the amount specified in this agreement as assumed by the Buyer.

(D) I (we) will at all times carry at my (our) expense insurance coverage, common to the area, in a sufficient amount to cover the loan. The policy of insurance carried by the buyer shall contain a clause making any loss thereunder payable to Commodity Credit Corporation or to the holder of the Mortgage, as its interests may appear.

2. The Commodity Credit Corporation and holder of said Mortgage hereby consent to the transfer of the Mobile Drying Equipment from the Borrower to the Buyer and waive their rights to declare the whole indebtedness due and payable and to foreclose and take other action by reason of said sale.

\_\_\_\_\_  
(HOLDER OF MORTGAGE)

\_\_\_\_\_  
(SIGNATURE OF BORROWER)

BY \_\_\_\_\_

\_\_\_\_\_  
(SIGNATURE OF BORROWER'S SPOUSE)

DATE \_\_\_\_\_

\_\_\_\_\_  
(WITNESS)  
\_\_\_\_\_  
(DATE)

COMMODITY CREDIT CORPORATION  
AGRICULTURAL STABILIZATION & CONSERVATION COUNTY COMMITTEE

BY \_\_\_\_\_

\_\_\_\_\_  
(SIGNATURE OF BUYER)

TITLE \_\_\_\_\_

\_\_\_\_\_  
(SIGNATURE OF BUYER'S SPOUSE)

DATE \_\_\_\_\_

\_\_\_\_\_  
(WITNESS)  
\_\_\_\_\_  
(DATE)

\_\_\_\_\_  
(ACKNOWLEDGMENT BY BORROWER)

\_\_\_\_\_  
(ACKNOWLEDGMENT BY BUYER)

## GENERAL FORMS OF ACKNOWLEDGMENT

## ACKNOWLEDGMENT

I, \_\_\_\_\_, do hereby certify that \_\_\_\_\_, to me known to be the person (or persons) who executed the foregoing instrument, personally appeared before me and acknowledged that he (she or they) executed the same as his (her or their) free act and deed: and, in case said instrument was executed on behalf of a Corporation, that he (she or they) as \_\_\_\_\_

(INSERT NAME OF OFFICER(S) AND

HIS (HER OR THEIR) OFFICIAL TITLE(S)

\_\_\_\_\_ was (were) duly authorized by the Board of Directors of \_\_\_\_\_ (NAME OF CORPORATION) said Corporation to execute the said instrument on behalf of said Corporation and to affix the Corporate Seal thereto.

Given under my official hand and seal this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

(NOTARY PUBLIC)

MY COMMISSION EXPIRES \_\_\_\_\_

## MORTGAGEE'S AFFIDAVIT OF GOOD FAITH

STATE \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, personally appeared \_\_\_\_\_, who, being duly sworn, deposes and says that for the purpose of making this affidavit he is an officer or agency of the Mortgagee named in the above Mortgage: That said Mortgage is taken as security for the payment of the above note in the amount of \$\_\_\_\_\_: That said amount is just and unpaid; That said Mortgage is taken in good faith to secure the above described note without any design or intent to hinder, delay, or defraud creditors of the Mortgagor.

(AGENT OF MORTGAGEE)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

(NOTARY PUBLIC)

## MORTGAGOR'S AFFIDAVIT OF GOOD FAITH AND RECEIPTS

STATE OF \_\_\_\_\_ }  
COUNTY OF \_\_\_\_\_ } SS.

On this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, personally appeared \_\_\_\_\_, who, being duly sworn, deposes and says that he (it) is the mortgagor executing the foregoing mortgage; that the consideration recited in said mortgage is actual and adequate, that said mortgage is executed in good faith to secure the above described note without any design or intent to hinder, delay, or defraud creditors; and that he has received a copy of the note, this chattel mortgage and of the loan application.

(SIGNATURE OF MORTGAGOR)

(FOR CORPORATE OR AGENT'S SIGNATURE)

Subscribed and sworn to before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

(NOTARY PUBLIC)

## CERTIFICATION OF TRUE COPY

The undersigned hereby certifies that the foregoing mortgage is true, correct and authentic copy of an original mortgage duly executed by the mortgagor as above set forth.

(RECORDING OFFICIAL OR NOTARY PUBLIC)

## RECEIPT OF COUNTY RECORDING OFFICIAL

The above mortgage or a true copy thereof was recorded or filed for record on \_\_\_\_\_, 19\_\_\_\_, in \_\_\_\_\_ (CHattel mortgage, OR REAL ESTATE RECORDS, OR OTHER) volume \_\_\_\_\_, page \_\_\_\_\_ No. \_\_\_\_\_ (If filled).

STATE OF \_\_\_\_\_, COUNTY OF \_\_\_\_\_

(COUNTY RECORDING OFFICIAL)





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COMMODITY CREDIT CORPORATION FORM 400 (REVERSE)

5. The Borrower agrees that any loss of, deterioration of, or accidental damage to the said personal property surrendered to the Corporation shall be borne by the Borrower. The Borrower hereby releases and forever discharges the Corporation from liability for any and all claims of every nature whatsoever in connection with the handling, care and sale by the Corporation of the property described in paragraph 1 hereof, except the liability of the Corporation to pay to the Borrower any surplus of the proceeds of such sale over amounts necessary to cover costs and expenditures from such proceeds as itemized in paragraph 6 hereof.
6. The Borrower and the Corporation agree that the proceeds of such sale may be applied in payment of: (a) the expenses of the sale or the reimbursement of the Corporation for any such expenditures as it may have made or incurred in connection therewith including but not limited to the fees of an auctioneer employed in connection with such sale; (b) the expenses incidental to the transporting, caring for, and maintaining the custody of the property pending the sale or the reimbursement of the Corporation for such expenditures as it may have made or incurred in connection therewith; (c) the secured indebtedness of the Borrower as evidenced by the aforesaid note; (d) junior liens in the order of their priority; (e) any other indebtedness, secured or unsecured, of the Borrower to the Corporation; and (f) the balance, if any, to the Borrower.
7. Nothing herein contained shall be construed to release the Borrower from liability for any deficiency owing to the Corporation after application of the proceeds as herein provided.
8. The word "Borrower" shall be construed to include the heirs, successors, administrators, executors, assigns, agents, and principals of the Borrower, and the word "Corporation" shall be construed to include the assigns and agents of the Corporation.

IN WITNESS WHEREOF, the parties hereto have caused this instrument to be executed the day and year first above written.

\_\_\_\_\_  
(WITNESS)

\_\_\_\_\_  
(SIGNATURE OF THE BORROWER)

\_\_\_\_\_  
(WITNESS)

\_\_\_\_\_  
(SIGNATURE OF BORROWER'S SPOUSE)

COMMODITY CREDIT CORPORATION

\_\_\_\_\_  
(WITNESS)

By \_\_\_\_\_

Title Contracting Officer

Date \_\_\_\_\_

\_\_\_\_\_  
(BORROWER'S POST-OFFICE ADDRESS)

\_\_\_\_\_  
(COUNTY)

\_\_\_\_\_  
(STATE)

COMMODITY CREDIT  
CORPORATION FORM 401  
(5-15-57)U.S. DEPARTMENT OF AGRICULTURE  
COMMODITY STABILIZATION SERVICE  
COMMODITY CREDIT CORPORATION

STATE

COUNTY

**BILL OF SALE**  
**(SALE THROUGH COMMODITY CREDIT CORPORATION**  
**AS LIQUIDATING AGENT)**

SERIAL NO.

In consideration of \_\_\_\_\_

Dollars (\$ \_\_\_\_\_), receipt of which is hereby acknowledged, the Commodity Credit Corporation, an agency and instrumentality of the United States of America, hereby grants, bargains, sells, and delivers unto

\_\_\_\_\_, Buyer,

of \_\_\_\_\_, County of \_\_\_\_\_, State of \_\_\_\_\_, all the right, title, and interest of the Commodity Credit Corporation, lienholder, and pursuant to authority granted by

\_\_\_\_\_, mortgagor(s) of the property hereinafter described under a certain Agreement for Voluntary Liquidation of Mortgaged Chattels

dated \_\_\_\_\_, Commodity Credit Corporation hereby grants, bargains, sells, and delivers unto the said buyer all the rights, title, and interest of the said mortgagor in and to the following described property:

(GIVE DETAILED DESCRIPTION OF PROPERTY)

TO HAVE AND TO HOLD unto the said Buyer, his heirs, successors, and assigns forever.

IN WITNESS WHEREOF, the United States of America has caused these presents to be signed the \_\_\_\_\_ day

of \_\_\_\_\_, 19\_\_\_\_.

**COMMODITY CREDIT CORPORATION**

By \_\_\_\_\_

Title \_\_\_\_\_ Contracting Officer

Date \_\_\_\_\_









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